



# Need to Know: Dayton Power & Light's electric security plan

Updated March 2009



With a new electric energy law in place, Ohio's investor-owned electric utilities have been required to submit plans for the way they charge consumers for the electricity they use.

In compliance with the new law, Dayton Power & Light filed a plan in October 2008 at the Public Utilities Commission of Ohio (PUCO) for new electric rates, called an electric security plan. The Office of the Ohio Consumers' Counsel (OCC) analyzed the utility's proposal and made several recommendations for changes to DP&L's plan.

After lengthy discussions with the staff of the PUCO and other parties in the case, the Ohio Consumer and Environmental Advocates (OCEA) – including the Office of the Ohio Consumers' Counsel – reached an agreement with Dayton Power and Light (DP&L) in February 2009. The agreement will benefit customers and will hold rate increases to reasonable levels. Before going into effect, the agreement must be approved by the PUCO.

Under the agreement, DP&L will continue its current rate plan until 2012 and add energy efficiency and renewable energy to its electric portfolio as required by Ohio's electric energy policy. The development and implementation of these programs will help provide residential customers with tools to lower their usage.

Additionally, DP&L's base distribution rates will be frozen through 2012. The utility will work with a collaborative group, which will include members of OCEA, to develop an advanced metering infrastructure and smart grid by Sept. 1 with review by the PUCO staff in the fourth quarter of 2009. If approved, these improvements will provide better electric service reliability and give customers the opportunity to purchase electricity at the lowest cost. DP&L had originally proposed costs that more than doubled the typical costs of these improvements and underestimated the customer benefits by hundreds of millions of dollars.

Under the agreement, a residential customer's typical bill based on 750 kilowatt hours of electricity in April 2009 would increase from \$87.35 to \$88.92.

Other elements of the agreement include:

- An energy efficiency work group with the parties in the case to develop and implement energy efficiency programs such as rebates for purchasing Energy Star appliances or discounts for weatherizing homes;
- An economic development rider initially set at zero. Any development arrangements that provide discounts through a separate negotiated rate will be subject to PUCO rules and approval;
- A bypassable fuel recovery rider to recover actual increases (if any) DP&L incurs for obtaining fuel or purchasing electricity on the market to serve its customers, effective Jan. 1, 2010;
- Development of a renewable energy certificate program that would pay residential consumers a fee for customer-sited renewable energy. This would help offset the cost of any solar panels or other renewable energy by a customer.

**For additional information from the Office of the Ohio Consumers' Counsel:**

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